

The Budget—Mr. Balcom

for foreign countries because those nations which are not otherwise able to obtain the food they need are able to get it under a measure of this kind.

Unfortunately in Canada, despite the promises made by the then prime minister during the latter years of the war that the prices of the main farm products would be stabilized, nothing has been done so far to stabilize the price of wheat. Surely no one will suggest that wheat is not one of our main farm commodities. As I say, despite the promises by the then prime minister, the farmers of Canada have had to foot the bill. I would say that is definitely a breach of faith.

Not content with making the farmer compete with the United States treasury, the government places the farmer under a further handicap of having to sell under an appreciated dollar which makes it that much more difficult for him to compete in foreign countries. The farmers of this nation have no reason to thank this government for the treatment accorded them.

Mr. S. R. Balcom (Halifax): Mr. Speaker, I seem to be looking at this budget through different eyes than those of hon. members who have spoken previously. I believe that most hon. members were prepared to be given a very gloomy budget, but instead we find it full of many gratifying surprises. We have had budgets known as sunshine budgets and share the wealth budgets, but this is a combination of them all. It has been labelled by some as the maritimes or Atlantic budget. It might best be termed a sound, common sense budget, because it will benefit all Canadians, especially those who need assistance most. Truly the forgotten man has been remembered as well as the little man on the street who is so often depicted in the newspapers as being clothed in a barrel with a bowler hat on his head. He will now be able to afford a new outfit.

Through this budget the war veteran with a disability receives a very substantial increase in his pension. The married burnt-out veteran also has a nice increase in his war veterans allowance. Then the blind have not been forgotten, nor have the disabled, the retarded children and the families drawing the family allowance. Several nuisance taxes have been removed, as has the special excise tax on soft drinks, candy and motorcycles which will be much appreciated by these industries and the public.

If the concessions given to the maritimes turn out as we hope they will, and they should—the results depend very largely on us who come from the Atlantic provinces—then the two measures designed to stimulate the economy of the Atlantic provinces will, in one instance, have the federal

[Mr. Quelch.]

government pay an additional \$2 million annually in freight rate subventions on goods moved out of the maritimes into central Canada. Second, we have the proposition to provide interconnection facilities between Nova Scotia and New Brunswick for the integration of our electrical systems, for which Ottawa is prepared to build and operate thermo plants. This will be of inestimable value.

The intention of the government to take action immediately to alleviate the special difficulties of the Atlantic provinces caused by railway freight rate increases in the last decade will reflect quickly and positively on our economy. I can assure the minister and his colleagues that Nova Scotia appreciates the consideration we have received. Nevertheless, the opposition has said that the budget proposes nothing by way of aid to the Atlantic provinces. However, the budget speech does not pretend to cover all Canada's problems, regional and otherwise. There have been other federal proposals that help those areas of Canada which are in fiscal need, and indeed the principal proposal was referred to in the minister's speech. I refer to the federal-provincial proposals.

Through the new fiscal arrangements proposed by the federal government a considerably greater amount of money will be available to the provincial governments, including and especially the Atlantic provinces. During the first year of operation under the new arrangements this increase would amount to about 20 per cent over and above what would be available to the provinces as a whole if the present tax rental agreements were renewed. One of our major aims in making these proposals has been to assure as far as possible to all provincial governments access to revenues consistent with their responsibilities. The Atlantic provinces would share fully in the advantages of the proposed fiscal arrangements and, more than any of the other provinces, the proposals go a long way in providing for their fiscal needs.

The new proposals provide unconditional equalization grants and on a per capita basis these are highest for the Atlantic provinces, amounting to \$27.58 for Newfoundland, \$29.84 for Prince Edward Island, \$23.90 for Nova Scotia and \$24.95 for New Brunswick. The only other province which comes close to these figures is Saskatchewan, where the proposed equalization per capita grant would amount to \$23.48. By comparison, per capita equalization payments to the other provinces would be lower, ranging from \$16.24 for Manitoba to zero for Ontario.

Within the framework of the proposed fiscal arrangements it is clear, therefore, that the